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C O N F I D E N T I A L SECTION 01 OF 04 MADRID 000195

SIPDIS

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SUBJECT: A/S VALENZUELA INVITES SPAIN TO TEAM UP IN LATIN
AMERICA

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[D](#). 2009 MADRID 59

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Classified By: Charge d'Affaires Arnold A. Chacon, for reasons 1.4(b) and (d).

[1](#). (SBU) SUMMARY: A/S Valenzuela's February 1-3 visit to Madrid was characterized by bilateral goodwill and mutual optimism for U.S.-Spanish cooperation in Latin America to address significant challenges in the region, not least of which the impact of the ongoing economic crisis and the after-effects of the January 12 earthquake in Haiti. Two main events anchored a full program: a bilateral meeting of the U.S.-Spain Latin America Working Group (LAWG) and a conference jointly sponsored by the Council of the Americas (COA) and the General Secretariat for IberoAmerica (SEGIB) on Strengthening Transatlantic Partnerships. In additional meetings with a number of Spanish government officials, former government officials, EU representatives, and members of civil society regarding Latin America policy issues, Valenzuela highlighted U.S. engagement and objectives in the Americas, including shared interests with Spain and opportunities to deepen our foreign assistance cooperation to achieve important results. Spanish and international media reported accurately and positively on Valenzuela's public remarks, particularly his caution that a change in EU's Common Position toward Cuba would not be well viewed in Washington. END SUMMARY.

//Touching Base with Spain//

[2](#). (C) During a cordial two-hour meeting on February 1, WHA Assistant Secretary Arturo Valenzuela and NSA-equivalent Bernardino Leon, Secretary General of the Office of the Presidency, discussed prospects for U.S.-Spanish cooperation in Latin America and Spanish priorities in the region during its rotating presidency of the Council of Europe (ref E). The two discussed recent efforts in Haiti, ongoing European trade ties with the region, threats to democracy in Venezuela and Nicaragua, and human rights in Cuba.

[3](#). (C) Second Vice President Maria Teresa Fernandez de la Vega, in what she later told the Ambassador was an excellent one-on-one meeting (ref B), told A/S Valenzuela on February 2 that Spain wanted to work with the U.S. in the region. She agreed that Spain and the United States should coordinate development assistance in the region, building in part on our successful joint efforts in Haiti. She said Spain and the U.S. could triangulate efforts with countries such as Mexico,

Brazil, or Chile.

¶4. (SBU) Valenzuela also used his time in Madrid well to reconnect with others in a position to comment on Spanish policy in the region, including Secretary General for IberoAmerica Enrique Iglesias, former Spanish President Felipe Gonzalez, and Prince Felipe of Asturias. All expressed enthusiasm for the idea of expanding bicentennial observations of Latin American independence to the United States in the next year, with the Prince and Iglesias professing their willingness to participate in potential U.S.-organized events.

¶5. (C) By contrast, former President Felipe Gonzalez, also a Socialist, offered Valenzuela a bleak outlook for the hemisphere and shared his concerns about President Zapatero's management of Spanish foreign policy overall, as well as the direction the EU was taking on immigration and other matters.

Gonzalez was largely in agreement with the U.S. approach to Latin America. He advocated a moderate, center-line approach including non-confrontation with the likes of Venezuelan President Hugo Chavez. Gonzalez was receptive to the idea of increased U.S. participation in the celebration of the bicentennials of Latin American countries' independence from Spain and especially enthusiastic about the idea of coordinating an event in New York involving former President Bill Clinton.

//Latin America Working Group//

¶6. (C) Secretary of State for IberoAmerican Affairs Juan Pablo de Laiglesia hosted February 1 and set the agenda for

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afternoon discussions that continued during a working lunch. The U.S. and Spanish delegations touched on Spanish priorities during its EU presidency, the impact of the economic crisis on Latin America as a whole, regional security issues including counter narcotics cooperation, Latin American and Caribbean regional integration, Venezuela, and Cuba. A/S Valenzuela advised de Laiglesia, who has been outspoken about his hopes for a change in the EU's Common Position toward Cuba, that such a Spanish initiative would not be well viewed in Washington. The afternoon meetings laid the groundwork for more in-depth discussions to come with Secretary of State for International Cooperation Soraya Rodriguez, and the possibility of forming sub-groups to implement specific projects in priority areas. Valenzuela set the tone for U.S.-Spanish collaboration toward shared solutions to common problems, calling this an opportune moment for a "win-win." He stressed that the United States and Spain were important partners, both of whom wanted to consolidate democracy and secure a better quality of life for Latin America.

//Honduras//

¶7. (C) Turning to specific countries on the LAWG agenda, Valenzuela updated de Laiglesia on U.S. efforts to pressure de facto leader Roberto Micheletti to leave power prior to the presidential inauguration of Porfirio "Pepe" Lobo and emphasized that it was vital for the international community to support Lobo's efforts to move Honduras out of its political crisis. Valenzuela underscored that the United States saw Honduras as a "win" for multilateral diplomacy and that the coordinated international response had sent a clear message that the international community would not tolerate the unconstitutional removal of presidents from power in the Western Hemisphere. De Laiglesia spoke of the need to find a way to defend democratic values in Honduras and conceded that perhaps Spain and the rest of Europe had "mismanaged" Honduras, by allowing the de facto government to believe that the international community would accept an alternative (a "plan B"). De Laiglesia noted President Lobo appeared to be working towards the conditions the United States, Spain, and the international community were seeking. The European Union

member states planned to send their ambassadors back to Tegucigalpa -- pending the outcome of an EU-COLAT meeting that Spain in its capacity as EU president was pushing for on February 2 -- after being represented at the inauguration at the Charge d'Affaires level. De Laiglesia himself planned to travel to Honduras the week of February 8 in an effort to re-establish "normal" relations and work toward the lifting of sanctions imposed during the crisis. Valenzuela added that the matter of greatest urgency was getting Lobo's cabinet ministers sworn in so that former President Zelaya could leave Honduras. De Laiglesia took the position that the EU should characterize the situation and deliver a clear message that seizures of power were not to be tolerated and that the EU's members would not recognize the governments to emerge from such coups. (Note: Spanish Ambassador to Honduras Ignacio Ruperez arrived in Tegucigalpa on February 4 after a seven-month absence, according to media reports. End note.)

//Cuba//

¶8. (C) Whereas NSA-equivalent Leon had advised Valenzuela he did not foresee a significant change in EU policy toward Cuba (ref E), de Laiglesia maintained that Spain was proposing to codify a change in the relationship that was already manifest, citing an increase in high-level visits and ongoing EU-Cuba human rights dialogue. He held that democratic change would be brought about by Cubans, and said Spain had to be ready to act. For that reason, Spain was keeping lines of communication open to the GOC, so as to avoid an emergency policy shift when the time came. During Spain's EU presidency, its policy was to engage with all Latin American countries, including Cuba. While there was more to Spanish and EU policy toward Latin America than Cuba alone, and he wished to remove the spotlight on Cuba policy, he observed that "some countries" thought moving from the Common Position to a bilateral agreement would debilitate the EU's human rights position toward Cuba. De Laiglesia clarified that the Common Position was based on consensus and that the GOS had initiated a "reflection" in that context. He described the exercise as a process to follow with fellow EU members. Valenzuela warned de Laiglesia that replacing the Common Position would not be well received in Washington, DC. The optics of such a move, he said, could too easily be misconstrued as abandonment of the EU's support for human

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rights.

//Haiti//

¶9. (C) Valenzuela described his efforts to secure third-country placements for Haitian critical care patients, including his outreach to Cuban counterparts and information about Cuban medical personnel already active in Haiti. De Laiglesia conveyed his appreciation to the USG for saving the arm of the Spanish Ambassador to Haiti, who had been injured in the earthquake, and informed Valenzuela that Spain's hospital-equipped ship Castilla was due to arrive in the region February 2. Valenzuela thanked Spain for the extra capacity. (Note: The Castilla, which departed Cadiz January 22, was anchored off Port Goave the morning of February 4, according to the Spanish Navy (ref F). End note.) Regarding a reconstituted MINUSTAH, de Laiglesia said Spain was positively inclined to accept and work within the new structure.

¶10. (C) Turning to foreign assistance coordination, Valenzuela observed that the January 12 earthquake had changed the nature of international cooperation and interaction with local authorities, re-aligning priorities. Prior to the quake, Western Hemisphere countries had participated in UN peacekeeping operations and there had been some limited Argentine-Brazilian triangulation on small projects. During the subsequent emergency, stabilization, and construction phases, it would be important to keep Latin American countries at the center of assistance operations and to further involve CARICOM members. De Laiglesia added that Haiti would have to own its own recovery process and stressed that even though it had been damaged, the Government of Haiti had to emerge stronger from the ordeal. De Laiglesia said

alternative energy -- a sector in which Spain had significant investments -- might be another positive area for cooperation, as with Colombian-Haitian collaboration on underwater electric networks.

//Promising Prospects for Assistance Coordination//

¶11. (SBU) For her part, Soraya Rodriguez said during a 90-minute meeting on February 2 it would be "stupendous" to work with the United States on two to three priority areas, emphasizing quality over quantity. She suggested focusing on certain lines of cooperation assistance in states that were weakened or fragile but not failed. The GOS offered to propose the formation of a technical working group to decide on a jointly administered project, to be followed by an invitation to Washington.

¶12. (SBU) Rodriguez and her staff expressed great interest in the upcoming visit of AID Administrator Shah during the February 17-18 EU Development Ministers, meetings outside Madrid. The GOS had been communicating with the interim administrator and looked forward to a full day of engagement. The GOS especially hoped to make progress at the ministerial in the agriculture and food security sectors -- not just creating another "fund."

¶13. (SBU) Having confirmed Spanish political will, Valenzuela reiterated that improving cooperation would strengthen all partners, and detailed possible concrete steps to advance the idea of a jointly administered trial project. He proposed the formation of a Senior Level Working Group on Trilateral Assistance, as a subset of the LAWG, that would meet in Washington within 90 days of the USAID Administrator's visit to Spain. Possible agenda topics, he suggested, might include a presentation on U.S. foreign assistance priorities in the hemisphere, as well as a consideration of countries and sectors for trilateral cooperation. Rodriguez suggested the GOS present the idea of another, more technical working group to AID Administrator Shah, and then accept his invitation to Washington. Both sides agreed the September 2010 review in New York of the Millennium Development Goals (MDGs) offered an opportunity to evaluate U.S.-Spanish progress in Latin America and to set further concrete U.S.-EU goals for implementation by 2015 or thereabouts. Valenzuela told Rodriguez a concentration on Central America would be well placed.

//Explaining U.S. Policy//

¶14. (SBU) At a pre-conference dinner hosted the evening of February 1 by the COA/SEGIB organizers and attended by some 35 business executives and government officials including the Ambassador, Valenzuela outlined the new approach to U.S. policy in Latin America. He spoke of the basis for U.S. partnership and leadership in the region as threefold: 1) opportunity and the search for competitiveness; 2) citizen

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security and the rule of law; and 3) strengthening capacity and guarding against the breakdown of democracy. He described examples of U.S. and regional initiatives in support of each and shared insights based on his travel to Honduras for the January 28 inauguration of President Lobo. That evening and on the margins of the February 2 conference, Valenzuela had side meetings with a number of individuals, including PRISA Group CEO and founding editor of Spain's leading daily El Pais Juan Luis Cebrian and Javier Santiso, Director of the OECD Emerging Markets Network, who also presented at the COA-SEGIB conference.

//Positive Press Play//

¶15. (SBU) Valenzuela's visit got excellent media coverage at a critical time not only for U.S. relations with Latin America but also in the midst of the much publicized decision (ref C) of President Obama not to attend the U.S.-EU Summit planned for the end of May. In an exclusive TV interview on the margins of the COA-SEGIB conference, Valenzuela told CNN

Plus about Haiti that "from great tragedies come great opportunities." He underscored the importance of building a new and better future for Haiti. He acknowledged that he had almost canceled his trip to Madrid in order to work on the Haitian disaster response, but said it was important for him to come to Madrid to discuss our efforts. Asked by a reporter from Spain's leading left-of center independent daily El Pais about the U.S.-EU Summit "snub," Valenzuela stressed the importance of Spain and Europe to the United States as evidenced by his own presence in Madrid. Wire service EFE and Europa Press both headlined Valenzuela's positive comments about the return to democracy in Honduras ("the necessary direction" for re-entry into the OAS), whereas conservative Spanish media highlighted his saying the United States would not view positively a change in the EU's Common Position toward Cuba.

¶16. (SBU) COMMENT: Spanish views continue to resonate with USG views and Spain remains interested in working with us in Latin America. A/S Valenzuela's meeting with political power-hitter Soraya Rodriguez -- who had been unable to meet with his predecessors either in New York or in Madrid (ref D) -- made significant progress toward coordination of U.S. and Spanish foreign assistance in Central America. Spain has stepped up to provide significant humanitarian assistance to Haiti since the earthquake, and will be key to coordinating ongoing reconstruction efforts during its EU presidency. END COMMENT.

¶17. (U) A/S Valenzuela cleared this cable.
CHACON